

MARKET UPDATE

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Asia FX rebounds on Trump's rate cut calls.

Most Asian currencies rebounded on Friday as the dollar weakened following President Donald Trump's call for interest rate cuts, while the Japanese yen regained ground after the Bank of Japan delivered an anticipated rate hike.

The BoJ increased interest rates by 25 basis points, while projecting that inflation will stay supported and close to its annual target in the years ahead.

The central bank indicated that it plans additional rate hikes if its economic outlook aligns with expectations in the coming months.

The BoJ was widely expected to raise rates as markets believed that recent inflation and wage data were encouraging and supported hike bets.

Dollar set for worst week in 2 months after Trump's rate cut demand.

Trump's comments on tariffs spark share rally.

Global shares rose on Friday buoyed by the prospect of a softer stance on tariffs on China and lower U.S. rates following comments from President Donald Trump, while the yen firmed after the Bank of Japan delivered a widely expected rate hike.

The BOJ raised interest rates to their highest since the 2008 global financial crisis, with attention now shifting to any clues from BOJ Governor Kazuo Ueda in his briefing on the pace and timing of further increases.

The yen strengthened to 154.86 per dollar in volatile trading, just shy of the one-month high of 154.78 it touched earlier this week, while the Nikkei was flat.

"The hike may have been expected but, in what feels like the first time in a very long time, there were no major downgrades to their economic outlook," said Matt Simpson, a senior market analyst at City Index.

Investors though remain fixated on Trump and his policies, with his latest comment suggesting a softer approach to tariffs on China, leading to a relief rally in non-dollar currencies and Chinese shares. European markets are set to join the party with EUROSTOXX 50 futures up 0.48%.

Trump in an interview with Fox news said his recent conversation with President Xi Jinping was friendly and he thought he could reach a trade deal with China.

Ericsson's Q4 revenue core profit rises on US demand recovery.

Swedish telecom equipment maker Ericsson (BS:ERICAs) reported on Friday a rise in fourth-quarter revenue and adjusted operating profit as its mainstay North American market returned to growth.

Net sales rose 1% to 72.9 billion crowns (\$6.66 billion), beating estimates of 72.5 billion. In North America, sales were up 54%.

"We see further signs that the overall RAN (Radio Access Network) market is now stabilizing, with strong growth in North America supporting a return to Networks sales growth in Q4," CEO Borje Ekholm said in a statement.

Sales in Asia decreased by double digits, mainly in India, where demand fell following a rapid growth in 2023.

Operating profit excluding restructuring costs and impairments stood at 9.8 billion crowns compared with a year-earlier 7.4 billion. The mean EBIT forecast in an LSEG poll of analysts was 10.3 billion.

Ericsson proposed a dividend of 2.85 crowns per share for 2024, up from 2.70 crowns for 2023.

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